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ELM TREE FARM LIMITED

**DIRECTORS' REPORT
AND ACCOUNTS**

31 MARCH 2009

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ELM TREE FARM LIMITED

REPORT OF THE DIRECTORS

The directors submit their report, together with the accounts of the company for the year ended 31 March 2009.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REVIEW OF THE BUSINESS

The company carries on arable farming operations at Elm Tree Farm, Stoney Houghton and associated lands. No changes in this activity have taken place during the year.

Turnover for the year was £658,162 (2008 - £532,019) and there was an operating profit of £81,751 (2008 - £126,169). In the directors' opinion, the company has again finished the year well equipped to meet the challenges ahead.

RESULTS

The profit for the year after taxation was £61,194 (2008 - £104,858) as detailed in the profit and loss account. The directors recommend that no dividend should be paid in respect of the year.

ELM TREE FARM LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS AND THEIR INTERESTS

The following were directors of the company throughout the year ended 31 March 2009:

Duke of Devonshire
Duchess of Devonshire
Dowager Duchess of Devonshire
N J Wood

None of the directors have an interest in the shares of Elm Tree Farm Limited.

The Dowager Duchess of Devonshire and the Duke and Duchess of Devonshire have an interest in the shares of the holding company in whose Directors' Report those interests are stated.

In accordance with the company's articles of association the Duchess of Devonshire retires by rotation and, being eligible, offers herself for re-election.

HOLDING COMPANY

The whole of the allotted share capital is held by Chatsworth Holdings Limited, a company in which The Trustees of the Chatsworth Settlement have a 91.55% interest.

FUTURE DEVELOPMENT

The management and directors keep alternative crops under review in order to achieve a good profit and to meet market demands whilst complying with best agricultural practice. Any good opportunities to extend the company's farming activities will be examined carefully and will be taken up if they are in the company's best interests.

By Order of the Board



M TERRY
Secretary

Company No: 1206244

7 January, 2010

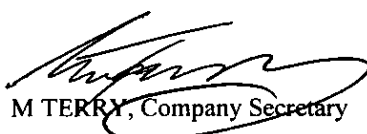
ELM TREE FARM LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009	2008
TURNOVER		658,162	532,019
Cost of sales		(490,240)	(319,466)
		<hr/>	<hr/>
GROSS PROFIT		167,922	212,553
Administrative expenses		(86,171)	(86,384)
		<hr/>	<hr/>
OPERATING PROFIT	2	81,751	126,169
Interest receivable		6,899	8,944
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		88,650	135,113
Tax on ordinary activities	3	(27,456)	(30,255)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		61,194	104,858
Dividend		-	-
		<hr/>	<hr/>
AMOUNT TRANSFERRED TO RESERVES	12	61,194	104,858
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There were no recognised gains or losses other than the results for the year.

The above results all arose from continuing operations.

Approved by the Board on 7 January 2010 and signed on its behalf by


M TERRY, Company Secretary

ELM TREE FARM LIMITED**BALANCE SHEET AT 31 MARCH 2009**

	Notes	2009	2008
FIXED ASSETS			
Tangible assets	6	218,883	170,825
Investment		15	15
		<u>218,898</u>	<u>170,840</u>
CURRENT ASSETS			
Stocks	7	243,312	276,204
Debtors	8	122,793	71,144
Cash at bank and in hand		271,218	325,933
		<u>637,323</u>	<u>673,281</u>
Creditors (amounts falling due within one year)	9	(172,021)	(229,715)
		<u>465,302</u>	<u>443,566</u>
NET CURRENT ASSETS			
		<u>684,200</u>	<u>614,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	(26,880)	(18,280)
		<u>657,320</u>	<u>596,126</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	11	72,000	72,000
Profit and loss account	12	585,320	524,126
		<u>657,320</u>	<u>596,126</u>
EQUITY SHAREHOLDERS' FUNDS			
	13	<u>657,320</u>	<u>596,126</u>

AUDIT EXEMPTION STATEMENT

For the year ended 31 March 2009 the company was entitled to the exemption under section 249A(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records which comply with section 221; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

ELM TREE FARM LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2009

1 ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Tangible assets

Tangible assets are stated at cost. Depreciation is provided by the straight line method so as to reduce assets to their estimated realisable value over their useful lives. The lives attributed to assets are:

	Number of years
Short leasehold buildings	15
Corn drying and storage installation	15
Farm plant and equipment	3 to 10
Tractors, combine harvesters and vehicles	4 to 7

(c) Stocks

Crops in store, growing crops and stocks of feed, fertilisers, chemicals and stores are stated at the lower of cost, including direct and indirect production costs, and estimated realisable value.

(d) Deferred taxation

Apart from any liability arising from short-term timing differences, deferred taxation is only provided where the deferral is not expected to continue in the foreseeable future.

(e) Set-aside and arable area payments

Set-aside and arable area payments are brought into the profit and loss account in the period in which credit is taken for the sale of the related crops.

(f) Cash flow statement

The company has taken advantage of the exemption available for small companies and has therefore not included a cash flow statement in the accounts.

ELM TREE FARM LIMITED**NOTES TO THE ACCOUNTS - 31 MARCH 2009 (continued)****2 OPERATING PROFIT** **2009** **2008**

is stated after the following amounts:

Staff costs: The average number of persons employed during the year in addition to the directors was 4 (2008 - 4)

Wages and salaries	129,660	113,586
Social security costs	21,472	19,552
Other pension costs	0	165
Depreciation	42,949	42,058
(Profit) on sale of tangible assets	(14,999)	(6,291)
Set aside and arable area payments receivable	(12,170)	(12,168)
Single farm payment	(83,850)	(85,234)

Staff costs include £54,937 (2008 - £44,805) paid to 3 directors in respect of their services to the company.

3 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES **2009** **2008**

The charge for taxation for the year is as follows:

UK corporation tax at 21%	11,938	28,808
Under provision in prior years	6,903	0
Transfer to deferred taxation	8,600	1,432
Amount payable for group relief	15	15
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	27,456	30,255
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The charge to corporation tax in 2009 was reduced by losses transferred from the holding company for a consideration of 100%.

ELM TREE FARM LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 2009 (continued)

4. HOLDING COMPANY

Chatsworth Holdings Limited, a company registered in England, owned the whole of the company's allotted share capital throughout the year.

The Trustees of the Chatsworth Settlement hold 91.55% of the allotted share capital of Chatsworth Holdings Limited.

5. RELATED PARTY TRANSACTIONS

During the year the company entered into various transactions with the Trustees of the Chatsworth Settlement, who, as mentioned in Note 4, hold 91.55% of the allotted share capital of the company's parent company.

The company has sold produce to the Trustees of the Chatsworth Settlement during the year amounting to £11,820 (2008 - £24,918).

The company's farmland is owned by the Trustees of the Chatsworth Settlement and in the year under review the company paid rent amounting to £56,588 (2008 - £56,438).

The Trustees of the Chatsworth Settlement provide management services to Elm Tree Farm Limited and a fee is charged to the company representing the fair value of this service. During the year under review this amounted to £30,425 (2008 - £20,000).

6 TANGIBLE ASSETS

	Short leasehold <u>buildings</u>	Corn drying and storage <u>installation</u>	Tractors, vehicles and implements <u>implements</u>	<u>Total</u>
COST				
At 1 April 2008	109,873	95,620	655,139	860,632
Additions	0	0	98,008	98,008
Disposals	0	0	(75,152)	(75,152)
At 31 March 2009	109,873	95,620	677,995	883,488
ACCUMULATED DEPRECIATION				
At 1 April 2008	72,473	95,619	521,715	689,807
Charge for the period	3,443	0	39,506	42,949
Disposals	0	0	(68,151)	(68,151)
At 31 March 2009	75,916	95,619	493,070	664,605
NET BOOK AMOUNT AT				
31 March 2009	33,957	1	184,925	218,883
31 March 2008	37,400	1	133,424	170,825

ELM TREE FARM LIMITED**NOTES TO THE ACCOUNTS - 31 MARCH 2009 (continued)**

7 STOCKS	2009	2008
Raw materials and consumables	53,113	42,710
Work in progress - growing crops	138,025	172,454
Crops in store	52,174	61,040
	<u>243,312</u>	<u>276,204</u>
8 DEBTORS	2009	2008
Trade debtors	110,029	64,175
Other debtors	12,764	6,969
	<u>122,793</u>	<u>71,144</u>
9 CREDITORS (amounts falling due within one year)	2009	2008
Trade creditors	13,844	47,994
Amount owed to Trustees of the Chatsworth Settlement	71,198	67,215
Amount owed to a group undertaking	90	75
Other creditors	64,450	95,490
Taxation and social security	22,439	18,941
	<u>172,021</u>	<u>229,715</u>
10 DEFERRED TAXATION	2009	2008
Balance at 1 April 2008	18,280	16,848
Transfer from profit and loss account	8,600	1,432
	<u>26,880</u>	<u>18,280</u>

These amounts represent fixed asset related timing differences.

ELM TREE FARM LIMITED**NOTES TO THE ACCOUNTS - 31 MARCH 2009 (continued)**

11 SHARE CAPITAL	2009	2008
Authorised:		
100,000 ordinary shares of £1 each	100,000	100,000
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Allotted and fully paid:		
72,000 ordinary shares of £1 each	72,000	72,000
	<hr/>	<hr/>
12 RESERVES	Profit and Loss Account	
At 1 April 2008	524,126	
Retained profit on ordinary activities after taxation	61,194	
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At 31 March 2009	585,320	
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13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2009	2008
Profit for the period	61,194	104,858
Opening shareholders' funds	596,126	491,268
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Closing shareholders' funds	657,320	596,126
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14 COMPANY STATUS

The company is a close company as defined by the Taxes Acts.